

UNCLASSIFIED
DECONTROL

AL037E R

MULTILATERAL ASSISTANCE TO ARGENTINA IN THE IDB AND IBRD

I. STATEMENT OF PROBLEM

It is the Administration's policy to take human rights factors into account when deciding how to vote in the international financial institutions. In addition, the Harkin Amendment requires the United States to vote against projects in the Inter-American Development Bank which do not benefit the needy in those countries where there is a consistent pattern of gross violations of human rights. Argentina learned in September 1976 that we might be unable to support IDB loans which do not benefit the needy and subsequently kept such loans off the agenda. In June, we abstained on two Argentine loans in the World Bank.

II. FOREIGN GOVERNMENT POSITION

The GOA appreciates that the social cost of economic recovery will rise sharply if international credits are unavailable. It will therefore try hard to retain such credits, charging, if we push too hard, that the U.S. is violating the charters of multilateral lending institutions by introducing political factors.

III. OUR POSITION

The international lending institutions are part of the UN system and UN membership entails respect for the Universal Declaration of the Rights of Man. Furthermore, it is unrealistic to think that Congress will permit public funds to appear to be used on behalf of repressive regimes.

IV. TALKING POINTS

- The Carter Administration is committed to advancing the cause of human rights in other countries through the international financial institutions, as well as in other ways.

- It is not our purpose to intervene in the internal affairs of other societies; but we believe that no member of the United Nations can claim that violations of internationally protected human rights is solely its own affair.

- It is not pleasant for us to deny support to Argentina in the economic field when this is the area in which we most wish to be supportive. However, we are committed to using our voice and vote on behalf of human rights.

UNCLASSIFIED

80D177
BOX 4855

UNCLASSIFIED

-2-

- We want our actions to be measured and constructive, which is why we mentioned certain hopeful human rights developments at the time of our June abstention on two Argentine loans in the World Bank.

- We hope that the course of events in Argentina will permit us to take a more positive stance in the World Bank and IDB when future loans come up.

- If raised by the GOA: We believe that Eximbank would like to be even more forthcoming with Argentina than it has, but it too is very sensitive to human rights factors.

UNCLASSIFIED